



DEPARTMENT OF AGRICULTURE AND COMMERCE
LESTER SPELL, JR., D.V.M.
COMMISSIONER

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Spell, Ag Agencies Assisting Farmers

Commissioner of Agriculture and Commerce Lester Spell and other State and federal agricultural agencies continue to work together to aid in the recovery of Mississippi's agricultural industry and in the loss of farm revenues caused by the devastation of Hurricane Katrina. Spell said that efforts in getting the top echelon of federal agencies to increase funds and expand existing areas of eligibility for federal assistance for those involved in agricultural production in Mississippi have been very successful.

"In recognition of the tremendous task at hand for damage that reaches the entire state, I offer gratitude to the agencies working together to restore damage sustained by farmers and landowners in Mississippi," Spell said. "Since the passage of the storm, quick movement by state agencies and a rapid response from federal officials in Jackson and Washington, D.C. has allowed Mississippi to begin the recovery process in a severely damaged industry that from year to year is critical to the economy of our State."

On Wednesday, Commissioner Spell had a phone conversation with US Secretary of Agriculture Mike Johanns. Johanns assured Spell that there will be an allowance of payment deferrals with certain farm-related loans. At this time, the length of time that payments may be deferred has not been finalized. However, it is anticipated that interest will have to be paid during the period when payments are deferred. Local Farm Service Agency offices and other agencies with agricultural loans should receive the final details on this matter within the next few days. During the conversation, Spell asked Johanns for immediate release of monies to aid in debris cleanup for agriculture to help defray the cost of labor, fuel, and machinery needed in those clean up efforts. As a result, Secretary Johanns approved that request that same day in the amount of approximately \$7 million immediately available for debris cleanup on farms.

Mickey Black, state director of Farm Service Agency (FSA), and his staff are making damage assessments, and FSA will be a key agency in administering agricultural aid and assistance. At a meeting (Thursday, Sept. 8) in Jackson, Black and his staff outlined plans to administer the \$7 million in cleanup funds and said that Washington officials had indicated more agricultural cleanup dollars might become available. For low-interest farm loan information and information on deferred loan payments as well as farm cleanup and farm fencing financial assistance, Mississippians should contact their local FSA office.

Homer Wilkes, the state Natural Resource and Conservation Service (NRCS) director, advised our office that his agency will provide up to \$1,250.00 per poultry house for disposal of dead birds done in accordance with their guidelines. Poultry farmers should contact their local NRCS office regarding financial assistance for this and other needs that might become available through NRCS. The application form is also on the Mississippi Department of Agriculture and Commerce website at www.mdac.state.ms.us.

State Soil Conservation Service (SCS) Director, Don Underwood, has said that some funds available to his agency can also be used for proper disposal of dead poultry. Details on the use and availability of those funds and other possible assistance can be obtained from local SCS offices.

Dr. Jim Watson, State Veterinarian, is coordinating a multitude of animal health and care operations throughout the state. David Waide, President of Mississippi Farm Bureau, and his staff have been an invaluable help in many ways – including help in arranging fuel deliveries to farmers with critical fuel shortages.

Those farmers who have hurricane-related crop damages and who have crop insurance should immediately contact their insurer.

IN ALL CASES WHERE FINANCIAL ASSISTANCE IS OR MAY BECOME AVAILABLE, IT IS ABSOLUTELY ESSENTIAL THAT FARMERS HAVE GOOD RECORDS OF THEIR EXPENSES DUE TO HURRICANE DAMAGES. PLEASE STRESS THAT TO THOSE YOU KNOW WHO MAY APPLY FOR ASSISTANCE!!!!

The Internal Revenue Service has approved the use of dyed diesel fuel (off road use diesel) for highway use until September 15.

Estimated Damages to Various Agricultural Entities in Mississippi:

Poultry – This industry suffered huge economic loss. There are approximately 9000 poultry houses in Mississippi and over 2000 poultry farmers. Early estimates indicate that 2400 poultry houses sustained damage, and of the damaged houses, approximately 300 are totally devastated. A poultry house typically contains 20,000 - 25,000 birds during the growth cycle, so the value lost due to this storm is enormous when factoring in loss of production, loss of property, increased expenses associated with inflated energy costs, costs associated with debris clean-up, and income lost during recovery.

Forestry – The storm mostly affected counties in which annual harvested timber value is the leading or second leading agricultural product in the local economy. Early estimates based on aerial surveillance by forestry professionals indicate that timber losses throughout Mississippi could be well over \$2 billion. In a meeting yesterday (Thursday, Sept. 8), the Mississippi Forestry Commission reported that a committee is convening to assess salvage opportunities for downed timber. I am participating in this meeting this morning (Friday, Sept. 9). Early data indicates that approximately 65% of the affected timberlands are private non-industrial owned timber.

Cotton – Winds affected the cotton crop throughout the state. Southeast Mississippi cotton received total damage. In the Delta and the rest of the state, sustained high winds have left the crop gnarled, mangled, and in some cases flattened. Harvest conditions will be complicated, and losses are certain. Earlier planted cotton with open bolls suffered more lint loss than cotton planted late. Farmers are beginning to harvest, and yield loss projections will be made further into the harvest season. Mississippi farmers planted 1.2 million acres of cotton in 2005.

Soybeans – Soybeans escaped with very little damage. Statewide, yield losses on soybeans are estimated to be up to 5%. 1.6 million acres of soybeans were planted this year, and 25% of the crop was harvested before Hurricane Katrina hit Mississippi. A problem common with all farmers of all crops is the drastic increase in fuel prices. With wind-damaged crops, harvest machinery moves much slower, thus increasing fuel usage.

Catfish – In certain areas, mainly in East Mississippi (Noxubee County), catfish farmers experienced management problems associated with power outages. Loss of retail and food service markets in New Orleans and on the Mississippi Gulf Coast will have a significant negative impact on product demand.

Cattle – In areas south of Interstate 20, many cattle producers are experiencing management hardships. Fences have been destroyed by fallen debris, and lack of feed sources is making it difficult for producers to keep cattle contained. Mississippi has over 21,000 cattlemen in the state with the majority of these located in the southern half. There is a need for supplies to repair fences. If you can help with donations or technical service, please contact Mississippi Cattlemen's Association at 601-354-8951.

Dairy – The industry in the south central part of the state has reported some on-farm milking facilities destroyed. Loss of power has made farms dump milk due to the lack of cooling capabilities. Also, delivery transport trucks have been unable to make some pick-ups due to lack of clear road access. Loss of markets on the Gulf Coast and New Orleans will also have negative impacts.

Corn – Yield loss in Mississippi's corn crop will be substantial. Crops affected by wind damage are lodged to some degree and have lost kernels to the ground. Mississippi farmers planted 380,000 acres in 2005. About 37% of the crop was harvested prior to the storm. Harvest conditions will be extremely difficult and expensive for a crop in which margins are extremely thin. Yields will certainly be reduced.

Rice – Rice likely received the greatest percentage yield loss among row crops. Affected crops are lodged to some degree or flattened. Farmers planted 245,000 acres. Very little rice was harvested before the Hurricane. Report from a farmer yesterday (Thursday, Sept. 8) indicates that these conditions are requiring three times the normal amount of fuel used for harvest, and farmers are paying twice the amount for diesel as was paid just one year ago. Therefore, harvest fuel costs for rice farmers this year are up to six times higher than a year ago. Yield losses are estimated to be at least 20%.

Fruits, Vegetables, Horticulture – Depending on the crop and production season, some may have escaped with little damage. Crops still in production in South Mississippi may have experienced some damage or total loss. Property damage will set back greenhouse producers. Sweet potato harvest is ongoing, and the yields were not affected.

Pecans – Throughout the state, the pecan crop is devastated. Orchards have significant limb and tree loss, and green pecans were knocked to the ground by high winds.